

**Company Profile:****Sanrio**, South San Francisco, CA

www.sanrio.com

Industry: Wholesale and Retail Distribution**Varsity Products:** ShipSoft-Parcel™, ShipSoft-Freight™, ShipPack™**Shipping Volume:** 650 parcels per day, 30 LTL shipments per day**Number of Shipping Locations:** One**Carriers:** FedEx**ERP:** Lawson

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—Wanda Lim, Director of IT

Varsity Helps Hello Kitty Bring Smiles to Customers All Over the World

You might have seen this little white cat waving to you and your children from pencil cases, lunch boxes, t-shirts, and even portable stereos and milkshake machines. “Hello Kitty” has gained increasing popularity since her introduction in Japan in 1974, then worldwide in 1976. Founded by Shintaro Tsujii in 1960, Sanrio is the corporate entity that owns this distinctive brand, and the company has a vision to, “...foster social communication, the sharing of happiness, friendship, and fun through creativity and innovation.” This vision permeates not only the upbeat merchandise, but also the way in which Sanrio runs its business.

From its 356,000 square foot facility in Northern California, Sanrio ships up to an average of \$500,000 per day in merchandise depending on seasonal spikes, or an average of 60,000 shipments per year. The company uses FedEx as its primary parcel shipping carrier and uses several major LTL carriers to process LTL shipments manually.

With their previous shipping system, Sanrio’s shipment orders were uploaded daily into their PC-based, carrier provided shipping system. During the course of the day, the shipping information was then entered manually into their Lawson ERP solution. Because of this batch process, shipment tracking information was not readily available—if customers needed a shipment’s status, they had to call customer service directly for the information. The manual shipping process also left openings for error, which had an effect on the quality of service to Sanrio’s retailers. Although Sanrio established satisfactory workarounds with their system, when their previous vendor announced their intention to discontinue support for the product, Sanrio was ready to consider a real change.

The company began searching for a transportation management solution (TMS) that would not only fit within their current business processes, but was extensible and feature rich enough to assist in Sanrio’s corporate directive to improve those processes. Wanda Lim, Director of IT said, “Sanrio has run on the iSeries since

the beginning—including our Lawson ERP system—and we knew our efficiency would improve if our ERP and our TMS could talk to each other.” Additionally, Sanrio needed a system that could ship both small parcel and LTL as well as track and trace, rate shop, and handle international shipments. Said Lim, “We also wanted a vendor that we could have a close partnership with—one that would help us move forward with our technology development *and* our process improvement goals.”

Two candidates were in the running. But with a site visit to Varsity customer, Jameco Electronics, several solution demonstrations, and professional services and customer support teams that impressed the Sanrio staff, the company decided on Varsity ShipSoft-Parcel, ShipSoft-Freight, and ShipPack. “The other solutions we looked at were either too simplistic or were overkill. What Varsity provided in the way of solutions and services fit our needs perfectly,” said Lim.

Once Sanrio selected Varsity, the company sent staff to Varsity’s training course. “The course was critical for us,” Lim commented. “Selecting the best solution was one thing—getting relevant staff to buy in and use the software’s full functionality was another.” However, once Sanrio’s staff was trained on ShipSoft and experienced the automation and ease of use first-hand, they were extremely excited. Continued Lim, “So excited, in fact, that the shipping department’s adoption and utilization of ShipSoft inspired management to call out their performance by initiating an ‘employee of the month’ program.”

Sanrio also worked closely with Varsity Professional Services to help with the customization and integration of ShipSoft. “We have a really talented IT pro on staff who was going to handle the lion’s share of the integration, but with annual customized FedEx rate updates, working with Varsity Professional Services was invaluable.” Sanrio and Varsity started the integration in May and hit their July 1 go live date—just in time for their busiest shipping season.

The results? “To say it simply, things just work better,” said Lim. To date, Sanrio has realized a 50 percent improvement in efficiency including shipment throughput and tracking. “Varsity passes shipment data into our Lawson system in real time so the shipping staff can pull order and tracking information whenever they need it without distracting customer service from taking care of our clients.” Continued Lim, “Our shipping department is more productive, our customer service department stays focused, and our customers are better served. All that adds up to a stronger business.”

“Varsity was the first phase of a corporate wide business process improvement effort here at Sanrio,” commented Lim. “Our next steps are to roll out and take full advantage of ShipSoft’s rate shopping feature as well as its sophisticated international shipping capabilities.” In sum, Lim stated, “The measurable results that we’ve realized with Varsity act as a cornerstone that we can build on for future efficiency and productivity efforts throughout Sanrio.”